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### **New Law Imposes Tougher Penalties for Embezzlement**

**Wilmington** – Legislation strengthening penalties for property crimes that was drafted by Attorney General Beau Biden’s office and introduced by Rep. Larry Mitchell and Sen. David B. McBride has been signed into law Gov. Jack Markell. House Bill 185 targets those who steal money from or defraud individuals or organizations, which are often nonprofits and governments.

“Small town governments, charities, and other organizations can take years to recover from the damage caused by an embezzler,” Biden said. “As a result of this new law, those who steal for personal profit face tougher punishments that better fits their crimes.”

“These so-called white-collar crimes might not be violent felonies, but they can have a dramatic impact on society,” said Rep. Larry Mitchell, D-Elsmere, the bill’s prime House sponsor. “When you’re talking about a nonprofit group or a small town, \$50,000 could be the difference between being solvent or running in the red. By holding these criminals accountable, we’re telling everyone that we consider this kind of embezzlement a serious offense.”

“I’m pleased we were able to get this legislation passed and the governor has signed it,” said Sen. McBride, D-Hawks Nest, who was the bill’s prime Senate sponsor. “When you consider the damage embezzlement and fraud causes to businesses, organizations and governments, we needed to send a clear message to let those who would consider this abuse of trust know that we won’t stand for it and that there will be serious consequences to those who are convicted of these crimes.”

Three of Delaware’s property crimes – Theft, Health Care Fraud, and New Home Construction Fraud – have penalties that are enhanced when the loss has a value of \$50,000 or greater. Losses of \$100,000 or greater merit even higher penalties.

Under HB 185, losses of over \$50,000 in the commission of one of these crimes will be a class D felony, which carries up to eight years imprisonment. Currently, the penalty is either a class E felony or a class F felony, carrying maximum sentences of five or three years, respectively.

Losses in excess of \$100,000 will be class B felonies, mandating a minimum jail sentence of two years and a maximum of 25. This replaces its current designation as a class C felony, which has no minimum jail sentence and a 15-year maximum.

Recent Delaware cases illustrate the need for enhanced penalties that take the long-lasting effects of these and similar crimes into account. One example is former Kenton Treasurer Stephanie Mickle, who was sentenced last year to eight years in prison for theft of Kenton town funds and

forgery of town documents. Investigators learned that Mickle had made herself Town Manager with forged documents and then proceeded to sell the town's cell phone tower easement, accessing those funds for personal use. Investigators also discovered that from 2008-2010, approximately 900 fraudulent financial transactions were made by Mickle, who as Kenton Treasurer had complete control of the town's bank accounts. Mickle used debit cards, checks, computer transactions, and electronic transfers of funds to pay personal expenses, including previous court-ordered restitution.

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